

**URBAN RESEARCH/
BANKING INSTITUTE
COLLABORATION ON THE
APRIL 1998 SEMINAR ON
MUNICIPAL CREDIT
ANALYSIS**

Prepared for



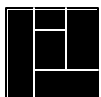
East European Regional Housing Sector Assistance Project
Project 180-0034
U.S. Agency for International Development, ENI/EEUD/UDH
Contract No. EPE-C-00-95-001100-00, RFS No. 404

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May 1998
UI Project 06610-404

BUDGET

The Seminar, which took place April 29, and 30, 1998, illustrated a strong demand from financial institutions in the Czech Republic for training in Municipal Credit Analysis. Further, it proved feasibility and financial sustainability of the organizational and administrative arrangement to institutionalize the training courses in Municipal Credit Analysis in the future as part of the Banking Institute training curriculum. Table 1 shows the estimated/planned and the actual parameters of the seminar.

Table 1
Estimated and Actual Financial Breakdown of the Seminar (in Czech Crowns, \$1 = 32Kc)

Category	Estimated/Planned	Actual
Number of Participants	20	29
Attendance Fee	3,980	3,980
Revenues:		
Participants Fee	79,600	115,420
Advertizing Fee/ Sponsorship ^a	40,400	20,000
Total Revenues	120000	135420
Recurring Costs	120,000	112,000
Net profit/loss ^b	0	+23,420

Notes

- a Due to the strong turnaround, the Banking Institute did not aggressively pursue sponsorship of the seminar. The Kc 20,000 is an advertizing fee paid by the CMZRB for placing its ad on the seminar's registration form and seminar training materials.
- b The Banking Institute keeps the net profit and plans to use it against potential future losses of organizing this seminar.

The actual costs of organizing the seminar "Municipal Credit Analysis" have been fully covered by the attendance fee.

Table 2
Budget Estimate (Adjusted February 26, 1998) (in Czech Crowns, \$1 = 32Kc)

Category	Unit Price	Number	Total Costs
Updating of seminar materials & Urban Research oversight			40,000
Reproduction (duplicating, binding) of course materials	200	35	7,000
Reproduction (duplicating, binding, diskette) of computer model manual	260	35	9,000
Presenters	5000	3	15,000
Training facility & technical equipment			14,000
Advertizing, marketing, mailing, communication			20,000
Administration, management			15,000
Total Costs			Kc 120,000 \$ 3,750

BANKING INSTITUTE ADVERTIZING STRATEGY

In accordance with the division of responsibilities as stated in RFS # 404, Amendment E, Task 7 (approved by USAID on January 5, 1998) and based on the List of Institutional Responsibilities dated February 23, 1998, the advertizing strategy—as a part of marketing strategy related to bank training seminar on Municipal Credit Analyses—was the Banking Institute's responsibility. The strategy was discussed with Urban Research on an ongoing basis in several meetings (November 18, 1997, December 18, 1997, February 13, 1998, February 26, 1998, March 13, 1998).

Results of these discussions were as follow:

- ! The course was offered on a commercial, demand-driven basis. In comparison with the past situation when there was a demand expressed by individual large banks to provide introductory courses on municipal credits, Banking Institute (with Urban Research assistance) identified in addition to banks participating in MUFIS Program other financial institutions which may become involved in municipal credit market.
- ! As for the participants, the seminar was offered namely but not only to bank managers and credit officers. The main aim of this round of courses was to attract not only banks participating in MUFIS program but also non-participating banks interested in entering the municipal lending market, other financial institutions and potential investors (insurance companies, investment funds, pension funds, important companies) and different association or Government institutions (State Environmental Fund) involved in the municipal credit market.
- ! Advertising techniques used
 - Direct mailing
 - Advertisement in a newspaper
 - Advertisement in a magazine
 - Web page

Direct mailing. Banking Institute under sponsorship of Czech Moravian Guaranty and Development Bank prepared and printed invitations containing basic information on seminar (Enclosure 1) based on Urban Research draft. Invitations including application forms (Enclosure 2) were distributed during the week of March 9, 1998. Headquarters and individual branches of all banks operating in the Czech Republic, as well as their training department and human resources department were approached. Invitations were sent also to further financial institutions and potential investors, e.g. insurance companies, investment funds, pension funds, important companies. The list of invitees exceeding 350 items is in Enclosure 3. The list itself was a combination of three different databases, the overlaps and changes were eliminated manually during process of mailing by Urban Research.

Urban Research paid special attention to participating banks in MUFIS program. UR prepared a mailing list of banks which signed the Master Agreement with MUFIS and carried out a direct mailing to all responsible persons at headquarters and branches within these banks (Enclosure 4). Invitation letters (Enclosure 5) signed by Petr Tajcman together with printed invitations and application forms were sent on March 13, 1998.

Advertisement in a newspaper. In Enclosure 6, there is a copy of Banking Institute advertisement on courses provided during April 1998 including also an announcement on Seminar on Municipal Credit Analyses. The advertisement was published in the most important Czech economic daily "Hospodarske noviny" three times: on March 2 and 9, 1998 and on April 6, 1998.

Advertisement in a magazine. Similar advertisement was published twice in internal magazine of Ceska sporitelna (Czech Savings Bank) "Magazin CS" issued in March 1998 and in April 1998 (Enclosure 7).

Web page. Internet also serves as a tool in Banking Institute advertizing practices. Banking Institute published information on the seminar on Municipal Credit Analyses on its web page address: www.iss.cz/bankinst (Enclosure 8).

As a result of this strategy, 29 bankers (most of them were credit officers or credit analysts) from 9 banks attended the seminar on Municipal Credit Analyses. (The maximum capacity of the teaching room in Banking Institute was 30 persons.) From the total number of 9 banks, 5 participate in MUFIS program. The list of participants is in Enclosure 9.

Evaluation of the seminar is based on a questionnaire prepared by Urban Research and distributed during the seminar (Enclosure 10). A tabulation of responses from completed evaluation forms is in Enclosure 11.



LIST OF ENCLOSURES

1. Seminar Invitation Form with basic information and description of the Seminar (in Czech)
2. Registration Form (in Czech)
3. Mailing list of invited institutions and persons
4. Mailing list of invited banks and bank branches participating in MUFIS Program
5. Letter addressed to banks' officials designated and/or responsible for contacts with MUFIS within banks participating in MUFIS program
6. BI's Seminar ad in Hospodářské noviny (Economic Daily)
7. BI's advertisement published in a magazine of the Czech Savings Bank
8. Print-out of BI's web page advertizing BI's courses and seminars
9. List of Participants
10. Evaluation form and Evaluation of Responses from Seminar Participants
11. Tabulated responses to the Evaluation

ENCLOSURES